Branding new areas

(Continued from Page S-2)

tired, old-fashioned industry into whole new areas," says Wes Anson, president of Marketing/-Trademark Consultants, licensing consultants based in La Jolla, Calif., and New York.

"Five years ago, most corporate-licensing efforts fell into pretty traditional patterns. Today we're getting into territories we never dreamed of before."

Licensing agents point to successful current examples of brand-extension licensing: Astroturf sport shoes designed for playing on Astroturf playing fields; Louisville Slugger batting gloves and baseball uniforms; Old Spice shaving mugs and safety razors; Sunkist fruit snacks and Sunkist vitamin C tablets; Winnebago camping equipment; and bridal gowns and wedding invitations licensed by After Six, marketer of men's formalwear.

"Brand extension is where corporate licensers can begin to realize real advantages," says Nancy Bailey, president of Nancy Bailey Associates, a licensing agent based in New York and Miami. "They can enter new markets without the usual research and development costs, because the licensee takes on the function of making, selling, marketing and advertising the product."

In an era when large corporations are gobbling up each others' brand-name lineups, brand-extension licensing provides "a quick, low-cost, low-risk way to take a corporate brand into specific new product areas," Mr. Anson says.

He notes that licensed brand extensions can reinforce sales of core products by moving the brand name into wider distribution. For example, when Winnebago licensed a line of tents and camping accessories, its name—previously found only in recreational vehicle showrooms—suddenly appeared in thousands of department stores.

Brand-extension licensing also can open up new ad channels. When a distilled spirit, for example, is licensed to an ice cream company, its name then can be advertised in broadcast media that otherwise are shut to its primary product.

Glen Konkle, president of Equity Management, Palatine, Ill.-based licensing consultants, says brand-extension licensing generally yields greater financial benefits than promotional licensing, but companies tend to be more reluctant to enter into it. "It's a big deal to let somebody else use your name," he says. "It's a decision that can't be taken lightly."

The brand-extension arrangement has serious ramifications for the licensee as well. "In most cases, it means the company making the product surrenders its own identity and becomes, in effect, the brand it bought a license for," says Murray Altchuler, executive director of the Licensing Industry Merchandisers' Association, New York.

Despite the risks, many insiders see the general category of corporate licensing—renting out trademarks or brand logos in return for royalty fees—as the salvation of a young industry that's trying to break its dependence on short-lived, oversold character licenses.

Annual sales of corporate licensed products already have eclipsed those of cartoon-character products, according to "The Licensing Letter," a Scottsdale, Ariz.-based trade publication.

Tom Herzberg

Last year consumers spent about $15.2 billion, or 28% of the licensing industry's $54.3 billion in retail sales, on products with trademark or brand-name licenses, says Arnold Bolka, "The Licensing Letter" publisher. Cartoon characters, on the other hand, brought in $12.5 billion, or 23% of licensing sales. Sports properties, a distant third, rang up $6.5 billion, with the remaining sales divided between eight different property types ranging from celebrities to movies.

Mr. Bolka says industry sales grew about 8% in 1986, "the most modest gain by far since we started these measurements a decade ago." In a survey conducted by his newsletter, licensing executives blamed the slowdown on economic conditions, an overabundance of licensed properties and an absence of any sensational new properties.

Ironically, those factors could bode well for licensing's mainstays—"the Disneys and corporate symbols and celebrities who are known and loved," Mr. Bolka says. He sees the industry returning to "the fundamental precept that something first gains public acceptance—and *then* gets licensed."

He says corporate licensing best reflects licensing's *raison d'etre* "because a brand name has to prove its popularity before it becomes a desirable property."

Toy and greeting card companies turned that idea upside down in the late 1970s, when they started creating entities specifically for licensing. The trend was led by American Greetings Corp.'s Strawberry Shortcake, who appeared in 1979. Observers say the create-a-character formula worked well for a while, but by last year hordes of licensed characters had glutted the market for children's products—cereals and toys in particular.

"Now, in many product categories, retailers just don't want any more characters because they've been overloaded with properties that didn't meet expectations. They ended up with excess inventory, and it left a tremendously bad taste in their mouths," Ms. Bailey says.

Not that retailers are likely to swear off characters for good. "Of course, eveybody's always waiting for the next Cabbage Patch phenomenon," she says. "But these days, retailers won't risk buying a lot of characters in hopes of having the right one. Now they figure if they see some movement, they'll still have time to jump in. They're much more cautious."

Although Mr. Altchuler says, "There's been more linage written about corporate licensing than real accomplishments," insiders take it for granted that corporate licensing is the industry's future.

"Character properties have driven this business until now," Ms. Bailey says. "But I think as the industry gets more sophisticated and companies find licensing an effective marketing tool, corporate licensing will become an even more important part of the picture."

However, Michael Sisson, president of Sisson Group, a New York-based licensing agent, says history could repeat itself if corporate licensers rush headlong into the market.

"Suddenly everybody who has a well-advertised logo is saying, 'Gee, I've got to do something.' But I wonder how much of this activity is justified," says Mr. Sisson, who detects a "lack of discretion" in choosing licensing relationships.

He says licensing industry growth, which mushroomed in the late 1970s and early 1980s, now is leveling off. "I've got to believe we're approaching some limits in the market," he says, "and when we reach those limits, licensers will gain share only by taking it away from somebody else."

Mr. Sisson warns corporations to develop a game plan before jumping into licensing. As a marketing tool, licensing can accomplish several goals: expanding a brand's product lineup, increasing name exposure, creating a secondary income source and protecting a trademark. A company needs to determine which of those benefits it needs.

Another consultant, Craig Kalter, president of Marathon Projects, a Forest Hills, N.Y.-based licensing agent, says 80% of all corporate licensing programs fail to meet their goals, often because of a mismatch between the licensed trademark and product.

Bad timing, poor design or the wrong choice of distribution channels also can sink a project, he says. A surprising number of corporations are caught up in licensing "me-too" products simply because "an executive sees his competitor doing something and decides he has to follow suit," he says.

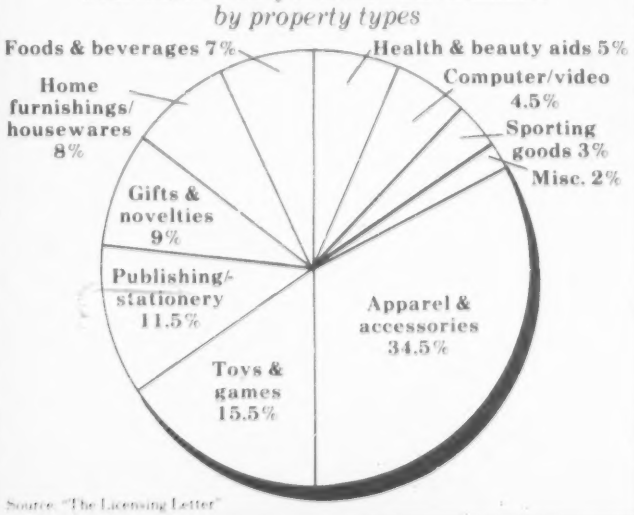
Although corporate licensing can be profitable, experts say most companies aren't in it primarily for the money. "They're doing it for other reasons—such as the added awareness, placement into new distribution systems, a chance to reach new demographics, to reinforce trade relationships or get greater penetration in retail," Ms. Bailey says.

"Money is important to some, but it's generally not the focus of the program."

This means corporations may have more to gain from licensing than other kinds of licensers—but they also have more to lose, Mr. Bolka says. "They, least of all, can afford a failure because any misuse of their trademark jeopardizes its value in the company's core business."

Branded apparel racks up sales

1986 total sales of licensed merchandise by property types



Source: "The Licensing Letter"

Wider market awareness a tempting enticement

It's a sweet deal. Making virtually no investment itself, a corporate licenser may find licensees willing to pay royalties ranging from 4% to 8.5% of wholesale sales.

But for a company to make the most of it, licensing needs to be integrated into overall marketing strategy and used to support specific marketing goals.

"Our mission is to return maximum revenues on the fruit grown by our 6,000 members," says Michael Loudon, senior manager of licensed products marketing and administration for Sunkist Growers, Sherman Oaks, Calif., a federated farmers' cooperative.

"Licensing supports the core branded fresh-fruit business by allowing us to take the Sunkist message to the consumer all year round," Mr. Loudon says. "And it provides economies of scale in marketing."

Sunkist's first licenses, in the early 1960s, were non-royalty agreements signed with foreign concerns that could use the trademark if they could guarantee there would be retail outlets for the product.

Today Sunkist has a more sophisticated and profitable worldwide licensing progam. Its licensing revenues topped $13 million last year.

Sunkist Vitamin C tablets, produced by Ceiba Consumer Pharmceuticals, Edison, N.J., met with such success that Sunkist hopes to license additional "wellness products," Mr. Louden says.

He says he's not talking about medicinal or clinical products. Those things wouldn't fit the Sunkist image. He's talking about the promotion of good health. In fact, Sunkist limits

(Continued on Page S-4)

Wider market awareness

(Continued from Page S-2)
the use of its 75-year-old trademark to just three categories: food-related products, beverages and health products.

Sunkist Orange Soda, one of the cooperative's primary licensed products—now owned by Cadbury Schweppes USA, Stamford, Conn.—recently has been squeezed by PepsiCo's Slice, Procter & Gamble Co.'s Orange Crush and Coca-Cola USA's Minute Maid soda.

However, Thomas J. Lipton Inc., Englewood, N.J., holds licenses for Sunkist Fun Fruits, a five-flavor line of fruit snacks, and Sunkist juices, juice drinks, juice bars, institutional foodservice products and frozen dessert confections.

"While the soft-drink business is important for awareness, the Lipton franchises are important because of their close alignment with our core business," Mr. Loudon says. "We have a number of new products on the drawing board that would combine a health positioning with current interest in frozen desserts and snacks."

Although New York-based Simplicity Pattern Co.'s brand extension licensing ultimately may increase sales of Simplicity patterns, unlike Sunkist "we didn't go into it with that in mind," says Jim Bell, the company's director of new ventures.

> ***"[A trademark] is the one thing your competition can't knock off."***
> **Jim Bell**
> **Simplicity Pattern Co.**

Instead, the company is trying to establish the Simplicity trademark on products that are consistent with its original image, but offer wider distribution. "We want the consumer to see the trademark and become comfortable with it in other product areas," he says.

Mr. Bell says a trademark can be a very valuable asset—"and it's also the one thing your competition can't knock off," he says. Yet he believes few companies really know what their trademarks mean to consumers.

He discovered, for example, that the Simplicity name struck a familiar chord with baby-boom families. He adds that consumers associate the name not only with sewing, but also with such general characteristics as "learning, tradition, saving time and getting good value."

That's why Simplicity, already a licenser of home sewing products, this year is taking on toys. Simplicity knitting, weaving, yarn and needlework kits are part of the line of 15 toy products that will reach retail this month. Meanwhile, Simplicity continues to expand its presence in sewing notions and craft-related products, and it is looking into home-decorating products, gardening products and small appliances, where research indicates the Simplicity name could add value.

Like Simplicity, Winnebago Industries has used licensing to bring its name to younger consumers. But the Forest City, Iowa-based company also sought trademark protection and profits from its licensing program.

"When Johnny Carson tells a story about a motor home, he's likely to say, 'There goes a Winnebago.' We were concerned about our name becoming generic," says Dwayne Brecht, director of licensing.

In 1982, Winnebago licensed a line of camping products including tents, sleeping bags, air mattresses, propane lanterns, stoves and portable toilets. Its trademark helped licensees gain access to mass-merchandise outlets because, as company research shows, 98% of all Americans know the Winnebago name.

He says the licensing program builds name awareness among younger consumers. That's important because "when people are 20, they buy sleeping bags and tents with our name on them," he says. "When they're 40 and more affluent, they may get a Winnebago motor home."

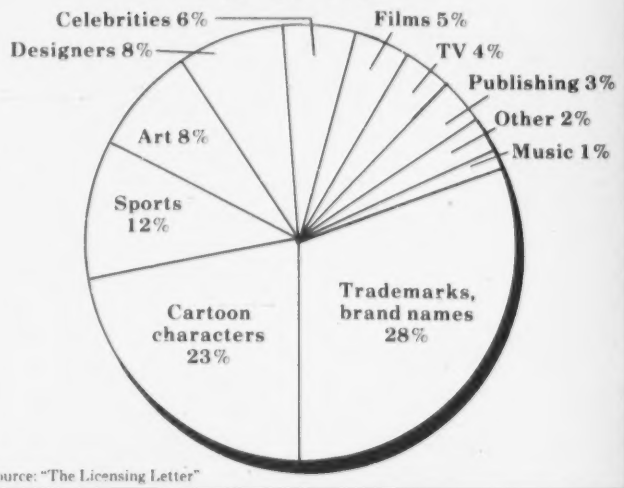
Sales of Winnebago's camping products added up to an estimated $12 million to $15 million last year, which means royalties contributed only a small fraction of the company's $424 million in revenues. But Mr. Brecht is not complaining.

He says after Winnebago approves a licensed product, the marketer takes responsibility for producing and selling it "and we receive the royalties—with no capital outlay for facilities, marketing or design."

—Lori Kesler

Branding the market

1986 total sales of licensed products by property types



Source: "The Licensing Letter"

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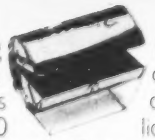

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'Going it alone' often a viable option

By Joanne Y. Cleaver

Both licensing agents and licensees say they perceive a backlash by many companies against character licensing, used in the early 1980s for product visibility and solid sales opportunities.

Increasingly, marketers of even such mundane items as toothbrushes and sleeping bags are forgoing traditional licensing agreements in favor of graphics and characters developed in-house.

That was the decision made by John O. Butler Co., a Chicago-based marketer of toothbrushes and other dental hygiene products.

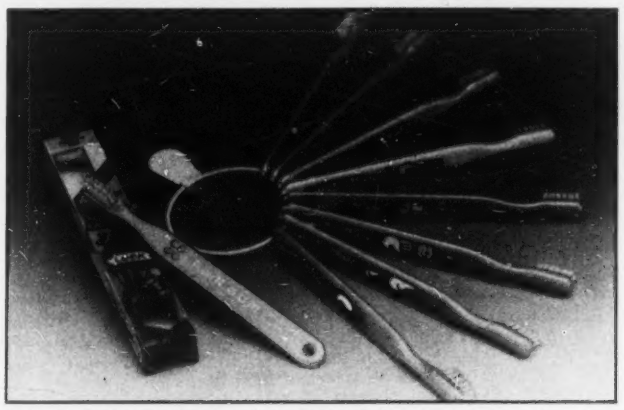
Butler isn't categorically opposed to licensing; it held the Batman license for toothbrushes in the late 1960s, recalls Ron Tarrson, Butler president.

But two years ago, the company decided to design a toothbrush proportioned specifically for a child's mouth, with a smaller head and larger, easy-to-grip handle. Because the broader handle cried out for some kind of decoration, Butler began exploring alternatives.

Joanne Y. Cleaver is a frequent contributor to Special Report.

"Licensing was considered right from the start, but we wanted to create a concept, not a character," Mr. Tarrson says. "The characters had to [be appropriate] for a child's toothbrush, not a scaled-down adult one. In looking at what was available for licensing, it was a tough job to find a suitable character; this [product] will live a long, long time."

■ *Some marketers shun licensing by creating their own graphics and characters.*



John O. Butler Co. developed the Butler Critters in-house as characters to appear on the company's toothbrushes.

Although Butler's marketing executives did consider several characters popular with 1-to-7-year-old boys and girls, including Cabbage Patch Kids and Care Bears, they eventually rejected them all in favor of creating their own characters.

Introduced last year, the Butler Critters look much like other soft, pastel animal characters. They appear on the brushes themselves, not just on the packaging.

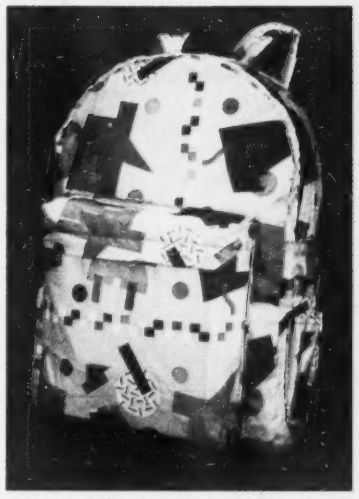
Several factors entered into Butler's decision. The company didn't want to limit the brush's life cycle by burdening it with a hot-today-dead-tomorrow character. Executives were reluctant to deal with the legal and financial arrangements of licensing.

The Butler Critters, although sold through drug stores, are promoted almost exclusively to dentists, who recommend them to patients. The company wanted to use the characters on these promotional items for dentists without having to seek permission from a licenser.

For similar reasons, Scott Paper Co. eschewed licensing for Kachoos, its new line of facial tissues designed for children.

Michael Kilpatrick, Scott's manager of public information, says the Philadelphia-based company did consider licensing briefly, but shied away because "we were afraid the license would go out of fashion, and then we'd have to find another trademark."

Instead, Scott came up with eight different original designs for the Kachoos boxes. Some are "me-too" graphics that closely imitate popular themes in licensing: outer space, unicorns and rainbows. But several of the designs feature outdoor scenes or soft and cuddly generic animals—much like the Butler Critters.



Ero Industries commissioned Lisa Frank to design backpacks and other items.

Arnold Bolka, publisher of "The Licensing Letter," a Scottsdale, Ariz.-based trade

(Continued on Page S-8)

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Clothing, housewares, food to pace the pack

Most insiders predict that food, clothing and housewares will be among the licensing industry's top growth categories during the rest of the decade.

They look for more products similar to Hershey's chocolate milk; Hiram Walker's Haagen-Dazs cream liqueur; Land O'Lakes' butter-based baked goods and cream sauces; Oreo Cookies 'N Cream, an ice cream product from Popsicle Industries with a name licensed from RJR Nabisco; and Southern Comfort's flavored chocolate candies from Swiss chocolatier Tobler Suchard.

These insiders also expect more licensing of personal care products, home tools, automotive supplies, home video and computer products. But they say corporate licensers soon may find they've saturated some areas.

Craig Kalter, president of Marathon Projects, a Forest Hills, N.Y.-based licensing agent, thinks apparel already is getting crowded. "It's one thing to have Calvin Klein underwear," he says. "It's another thing to have 25 different food brands on T-shirts."

Others insist clothing is a huge, diverse market with plenty of niches yet to fill. According to "The Licensing Letter," about $18.7 billion in licensed clothing and accessories were sold last year, which makes that category more than twice as large as licensed toys and games, which added up to $8.3 billion.

The Coca-Cola line of apparel introduced by Murjani International two years ago is regarded as one of corporate licensing's most impressive success stories. Now others are following suit.

McDonald Corp.'s McKids line for young children will debut at Sears, Roebuck & Co. stores in September. Burger King's line of children's sportswear and General Foods' Jell-O clothing for kids are expected to hit the racks just in time for back-to-school shopping.

Marketing/Trademark Consultants, licensing consultants based in La Jolla, Calif., and New York, brokered the McDonald's-Sears match. President Wes Anson says the idea for that partnership came out of focus groups "where we mentioned McDonald's and heard the word trust coming back at us. Every mother knows she can take the brat there and he'll eat. The Sears name generates that same kind of trust."

He says that's what makes a good marriage. Licensed clothes lines may come and go, Mr. Anson says, "but I'm convinced this one will have a 15-year life cycle."

—Lori Kesler

Adidas fits nicely for Beecham scent

By Lori Kesler

Sometimes, confides one licensee, you wonder if you're doing the right thing. You pay a company a hefty fee for the privilege of borrowing its name. Yet when things go wrong, you shoulder the financial burden and pay the licenser a minimum guarantee.

But when it succeeds—when a licensed product can capture top-of-mind awareness—"For a licensee, it's the most cost-effective marketing tool there is," he says.

"Everyone calls it the 'licensing industry,'" says Murray Altchuler, executive director of the New York-based Licensing Industry Merchandisers' Association. "But when you peel away the veneer, licensing's just an extremely efficient marketing tool, when done right.

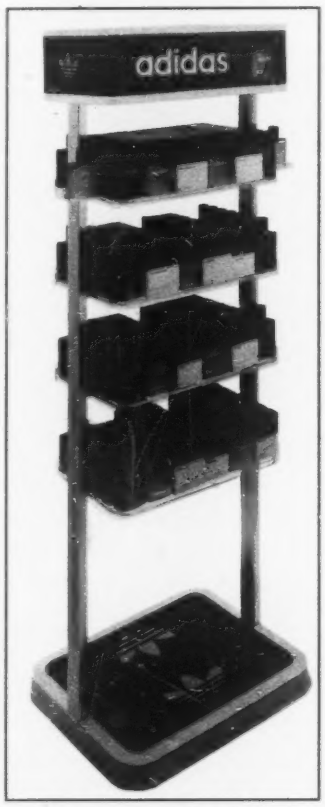
"It cuts through clutter—and, aside from the Procter & Gambles of the world, how many companies can do that?"

For instance, it made sense for Chicago-based Beecham Cosmetics to put the Adidas name on a new line of men's toiletries last fall. Peter Whitaker, Beecham marketing director, points out the new products hit the starting line with a name already familiar to 97% of American males. The U.S. licensing arrangement also made sense for Adidas, which was attempting to broaden its fashion base.

Beecham followed the example of its West German Margaret Astor Cosmetics subsidiary, which introduced a similar line of Adidas men's toiletries to Europe in 1985.

Mr. Whitaker says research had shown Adidas' name was tied to a wide range of sporting activities, and it tested especially well in the mass-market category where the new line would compete. In addition, he says, female consumers who might be scared off by a "sexy positioning" in men's toiletries responded positively to Adidas' "safe, familiar" name. Women buy about 60% of men's toiletries as gifts.

The Adidas products include aftershave and cologne, shampoo, deodorant, antiperspirant and a lotion that warms muscles by heating the skin. Fragrance currently provides the bulk of sales, but Mr. Whitaker says Beecham wants to expand the line by adding more "sports-related products that exclusively fit the Adidas name."



Adidas, aiming to widen its fashion base, licensed its name to Beecham Cosmetics for men's toiletries.

He concedes that the idea of naming a fragrance after a sport shoe did surprise some people at first. But he says when consumers saw the total package, they accepted it because "the package and fragrance both are clean, crisp and sporty. They make a strong impression."

■ *Licensing link often can make marketing sense for seemingly strange bedfellows.*

On the surface, the combination of a power-tool company and a toy marketer is as odd as the Adidas-Beecham connection. But, according to Marvin Greenburg, president of Creative Design, "These days people are buying toys with more function and play value."

So when his Jenkintown, Pa.-based toy company decided to produce a series of toy appliances that looked just like the real thing, he got together with Black & Decker. The line of B&D Junior small appliances will reach retail stores this month.

The toys, which target girls aged 6 years and older and cost less than $10, will include a Spacemaker mixer, a replica of B&D's under-the-counter model; a toy Dustbuster that generates some vacuum power; a toaster; and an automatic shutoff iron. All are battery-operated.

B&D hopes the toys will help build brand awareness for its small appliances. "We've only been in the housewares business since April 1984, when we acquired General Electric's household products division," says Barbara Lucas, VP-public affairs for Black & Decker, Towson, Md. "This is another way to groom future clientele."

Mr. Greenburg thinks his toys will be more popular because of the B&D connection. "We're a small company, but we spend time creating toys that have value," he says. "We went to B&D and pitched our proposal because we think they have the leading name in small appliances."

Similarily, Mark Echales, president of Little People Footwear, Des Plaines, Ill., says when he read that the East Aurora, N.Y.-based Fisher-Price division of Quaker Oats was moving into diversified products, he immediately contacted them.

"They've been in the toy business 54 years, and in that time they've developed one of the most trusted names in kids' products."

Fisher-Price challenged Mr. Echales to create a line of footwear that met its specifications for quality and style at a popular price. After producing samples and conducting a two-year test, his company won approval to market a line of children's shoes priced at less than $20. Little People Footwear now is selling Fisher-Price shoes through mass-market chains and independent shoe stores across the country.

When Mr. Echales answers the telephone these days, he refers to his company as Fisher-Price Footwear. He doesn't mind. He says that's the way the game is played. "From a marketing point of view, we're not a shoe company that's putting the Fisher-Price name on our product," he says. "As far as consumers are concerned, we *are* Fisher-Price shoes." AA

'Going it alone' an option

(Continued from Page S-6)

newsletter, points out that in-house character developments shouldn't be confused with knock-offs, which merely imitate a successful property. He also questions the effort that companies involved in developing their own franchises must invest to build recognition and loyalty, without benefit of a recognizable character.

Chicago-based Ero Industries, whose $40 million in 1986 sales are generated almost totally by licensed products from backpacks to camping gear, has come up with a less expensive alternative to licensing that has some built-in recognition.

James Solarz, VP-marketing for licensed products, says Ero is introducing a line of sleeping bags printed with exclusive designs by Lisa Frank, a designer of children's stickers.

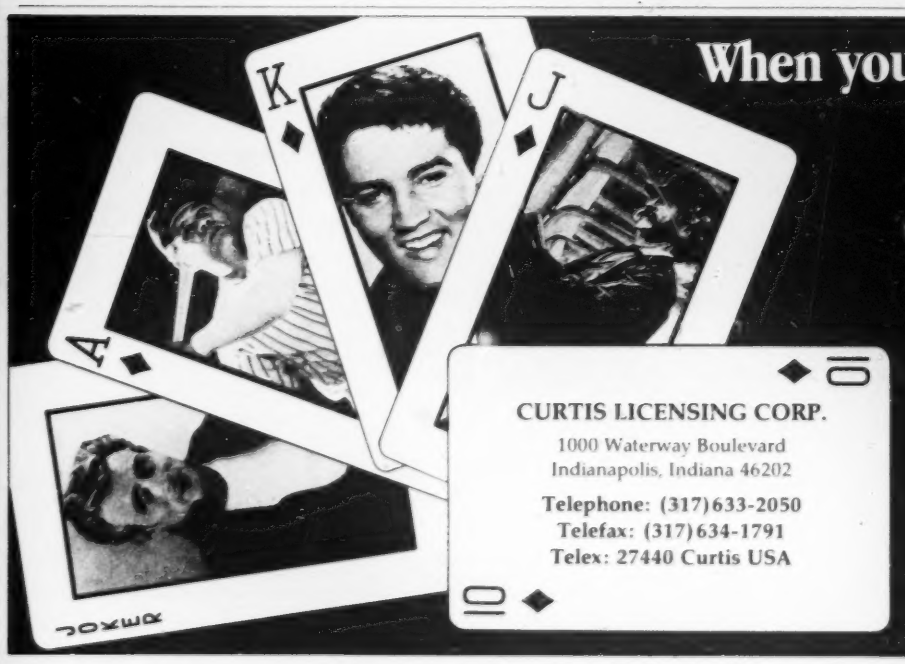
The bright, poster-like designs seek to catch the eyes of junior high school-age children—those too old for juvenile characters. Ero holds the Snoopy, Mickey Mouse and Sesame Street licenses for slumber bags and bed tents but their appeal is limited to 3-to-7-year-olds, Mr. Solarz says.

Two of Ms. Frank's designs—one of bubblegum machines and the other of a bear and penguin holding hands—have sold well enough that Ero and the designer worked out a quasi-licensing agreement for a new line, called 40 Winks.

Although Ms. Frank's signature is on the bags, it's doubtful that the average pre-teen will notice it, much less recognize the name. But there's no way the pre-teen can fail to notice the splashy designs: both wild, brightly colored geometrics and stylized, oversized animal prints.

The bags will be hitting mass merchandiser shelves sometime later this summer, says Mr. Solarz.

"Some people are trying to come up with their own designs, but it's much harder to execute than it sounds. We've tried in the past to come up with generic things and it's not easy," he says. "That's why we like Lisa Frank." AA



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Sidelights

LICENSING

Spuds, ALF, Ernest should liven up show

This week's Licensing '87 will feature its share of offbeat characters.

The June 3-5 conference/exposition at New York's Jacob K. Javits Convention Center is produced by the Licensing Industry Merchandisers' Association, New York, and Expocon Management Associates, Southport, Conn. Among the unusual properties on display will be:

- Spuds MacKenzie, Anheuser-Busch's spokesdog/party animal.
- Max Headroom, the ABC-TV series star, via Hamilton Projects, New York.
- ALF, NBC-TV's wise-cracking alien, via Leisure Concepts, New York.
- Regional commercial star Ernest P. Worrell, ("Know whut I mean, Vern?"), star of Walt Disney Productions' summer movie "Ernest Goes to Camp," via Quentin Properties, Memphis.

Stan Miskiewicz

But get ready. Perhaps next year's show will top that list with a visit from Freddy, the star of three (so far) "Nightmare on Elm Street" horror flicks. New York-based New Line Cinema, the movies' producer and distributor, hopes "Nightmare" may spawn some spinoff toys and other licensed items.

The razor-gloved star of the cult films, Freddy (portrayed by actor Robert Englund) has a big following among moviegoers in the youth market, primarily among 14-to-25-year-old males.

—James P. Forkan

Link leaves Murjani, Coke effervescent

In discussing corporate licensing, industry executives invariably mention the joint venture of Coca-Cola USA, Atlanta, and Murjani International, New York.

In 1986, its first full year of sales, the Coca-Cola clothing line racked up $250 million in sales in about 1,500 retail locations in the U.S., representing "a substantial portion" of Murjani business, according to a company spokeswoman. She says the company this year has signed agreements with 19 sublicensees to market related products such as beachwear, outerwear and shoes.

Murjani also this spring won the rights to market its Coca-Cola products internationally, and expects to have Fizazz boutiques—featuring Coca-Cola products exclusively—in Toyko and London by yearend.

The original Coca-Cola clothing line first made its mark with high school and college-age consumers. Murjani has broadened its line to include clothing for large women—scheduled for a late 1987 introduction—and children—introduced last fall. Youngsters can buy Coca-Cola clothing not only for themselves, but for their dolls.

Stan Miskiewicz

For kids craving the Coke look, there is a line of Coca-Cola clothes for dolls.

Introduced at Toy Fair '87, the Barbie-size dolls, from New York-based BBI Toys International, sport a variety of Coca-Cola-branded apparel—exercise outfits, sportswear, T-shirts and even a Hawaiian skirt and lei. Also available are accessories including a picnic cooler and, of course, doll-size replicas of Coke bottles and cans.

According to Michael Stone, president of New York-based Taft/Hamilton Group, Coca-Cola's licensing agent, future licensing areas include toy trucks, bicycles, toy athletic equipment and skateboards. "We want to create in Coca-Cola toys what Murjani has created in Coke clothes," he says.

—Julie Liesse Erickson

Through reseacher's effort, legends live on

Licensing opportunities these days extend beyond products to personalities—not only living celebrities such as Vanna White and Mikhail Baryshnikov, but also the famous among the dead.

Names including Elvis Presley, Laurel & Hardy, Frank Lloyd Wright and Ernest Hemingway are available for a licensing fee. For potential licensees worried about how relevant these names are with today's consumers, Marketing Evaluations offers a possible solution.

The Port Washington, N.Y.-based research company, marketer of the TvQ, Performer Q, Cartoon Q and Product Q popularity ratings, is promoting a new service at this week's Licensing '87 convention. The new rating measures the public's familiarity with and appreciation for legendary celebrities.

Marketing Evaluations President Steve Levitt's name for the new service: Dead Q.

—Julie Liesse Erickson

Not just a product, it's also a lifestyle

One of the licensing industry's current buzzwords is lifestyle licensing, a nebulous term encompassing not simply individual characters or personalities, but broader themes.

"The key in licensing today is establishing and licensing properties that connote a lifestyle—for example, Ralph Lauren's Polo moniker, or Coca-Cola—so that the consumer wants to buy not just the product, but that lifestyle," says Michael Sisson, president of Sisson Group, New York, a licensing agent.

Mr. Sisson is working with New York-based Simon & Schuster to market Nancy Drew's River Heights USA. Plans call for the program, marketed to 12-to-16-year-old girls, to include a new series of Nancy Drew mystery books plus licensed cosmetics, apparel, school supplies and a fan club. "We want to find products that fit the concept of middle America," he says. "We want that young girl to feel like she's in River Heights."

Likewise, Kansas City, Mo.-based Hallmark Properties has begun licensing its Auntie Em line, which includes greeting cards, furnishings, housewares and giftware—all reflecting a 1930s Midwestern prairie style.

But one of the purest lifestyle concepts is New York-based United Media Licensing's Sun East "lifestyle brandmark." Sun East began as a series of graphic designs, but today, a United Media spokeswoman says, "It's more. It represents a lifestyle, a strong statement of energy, confidence and individualism." The "Sun East way of life" is "the inner drive behind spiking the ball over the net."

The original Sun East designs were created by 28-year-old Brian Geverd while an art director for a small, family-owned New Jersey ad agency. Currently appearing on sportswear, sport bags and watches, the designs have spawned a store in Philadelphia; plans call for franchising the stores and licensing the property to housewares, giftware and paper goods marketers.

United Media Licensing's line of sportswear pushes the "Sun East way of life."

Mr. Geverd is the second agency art director whose licensed property is represented by United Media. Susan Rose, a former senior art director at J. Walter Thompson USA, New York, is co-creator of Fido Dido—a new-wave cartoon—that is licensed to six companies.

—Julie Liesse Erickson

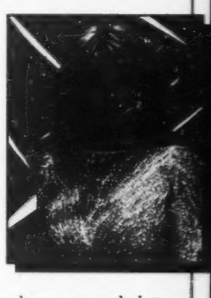
'Dynasty' dresses up its licensed lines

For Esther Shapiro, co-producer of ABC-TV's "Dynasty," TV soap operas capitalize on the licensing industry's trend toward broad lifestyle concepts.

" 'Dynasty' symbolizes a return to elegance and family," Ms. Shapiro says.

Despite a ratings drop this season, the show has 20 U.S. licensees and about as many abroad, according to Joseph Grant, Licensing Corp. of America chairman.

Current licensees are estimated to have sold about $200 million last year in "Dynasty"-branded products. The group is led by After Six, Philadelphia, and Charles of the Ritz Group and Leslie Fay Cos., both New York.



Charles of the Ritz accounts for the bulk of those sales—about $120 million—through its Forever Krystle and Carrington fragrances.

This year the "Dynasty" lineup has been expanded to lingerie, via Kayser-Roth Corp., New York; crystal, china and silverware from Gorham division of Textron, Providence, R.I.; and monthly novels and audio cassettes from Pioneer Books, New York.

—James P. Forkan

Associate editor Julie Liesse Erickson coordinated this report on Licensing.

Coming

Next week Advertising Age's Special Report will focus on **Out-of-Home Advertising.**

Product characters raisin' awareness

Stan Miskiewicz

Those in charge of licensing the California Raisins—the California Raisin Advisory Board and Foote, Cone & Belding, San Francisco—are dancing atop their lunch boxes. The raisins are consumers' favorites among the animated characters that act as product spokesmen, according to Port Washington, N.Y.-based Marketing Evaluations' fall 1986 Cartoon Q ratings. The ratings measure likability of animated characters—TV and newspaper cartoon characters as well as characters serving as product spokesmen—among consumers familiar with them.

Character	10/84	10/85	10/86
The California Raisins	—	—	44%
Pillsbury Doughboy (Pillsbury refrigerated dough)	38	40	40
Snuggle (Lever Bros.)	—	33	33
Noid (Domino's Pizza)	—	—	32
Snap, Crackle & Pop (Kellogg Rice Krispies)	26	26	31
Tony the Tiger (Kellogg Frosted Flakes)	24	27	31
Rabbit (Nestle Quik)	25	27	28
Charlie the Tuna (Star-Kist)	28	30	27
Elves (Keebler)	29	27	25
Ronald McDonald (McDonald's)	21	21	24
Sprout (Pillsbury Green Giant)	23	26	24
Campbell Soup Kids	19	24	23
Green Giant (Pillsbury)	20	24	22
Sud Z. Lemon (Procter & Gamble Joy)	—	18	20

Source: Marketing Evaluations' Cartoon Q. Numbers represent percentage of those responding "one of my favorites."

Int'l advertisers take consumers' view vs. ban, tax

By LAUREL WENTZ

KILLARNEY, IRELAND—The World Federation of Advertisers is calling on the Canadian government to reject its proposed ban on all promotion of tobacco products.

The action taken at the WFA conference here May 18 to 20 was an example of advertisers basing the case against ad restrictions on consumers' rights to information rather than the advertisers' own right to self-expression.

In its petition, the WFA said, "The consumers of Canada now receive information through advertising regarding tar and nicotine content of tobacco products and other relevant health-related communications, which will be diminished if advertising is banned."

In a similar petition asking for the repeal of the new 5% sales tax on advertising in Florida, the WFA said, "Truthful advertising of lawful products and services is a valuable aid to consumers in exercising their freedom of choice in the marketplace ... and taxation upon the advertising process is ... an abridgement thereof."

In the Canadian case, John Foss, president of the Assn. of Canadian Advertisers, said, "The next thing this Health Minister [Jake Epp] will go after is alcoholic beverages. ... Analgesics have been mentioned and even some food products, like sugar-coated cereal."

Robert Goldstein, VP-advertising, Procter & Gamble Co., said, "The advertising industry is changing the presentation of its case from advertisers' right to advertise to the citizens' right to information from advertising."

But Dr. B. Schmitz, legal counsel to the European Consumer Unions, took an opposing view.

"We wonder seriously whether commercial speech should be put on the same footing as information in the sense mentioned by the European Convention on Human Rights," he said.

Dr. Schmitz advocated greater regulation of the advertising industry, saying, "In our view, self-control is insufficient control."

He also suggested that if the ad industry was concerned about the supply of information, general requirements for the information content of advertising should be set up and lack of consumer information in advertising should be counterbalanced by stricter labeling rules and other means.

"The ad industry could support our request to counterbalance advertising on radio and television by free time being given to consumer associations to impart information to the audience," he said.

On other topics, delegates approved a resolution calling for a consistent method of TV audience research that would include all the ways TV programs are delivered—by networks, cable, satellite or videocassette—and provide national data in standard forms to allow comparison and analysis between different countries.

Vincent Finn, director general of the Irish state radio and TV broadcaster Radio Telefis Eireann, predicted TV ad spending in Europe, estimated at $5.8 billion in 1986, will explode as more ad time is opened up on existing channels in Britain, France and Italy and on new channels in Holland, Scandinavia, Spain and Portugal.

For example, Mr. Finn told delegates that about 250,000 Irish homes now have greater viewing choice through satellite TV channels delivered to cabled TV homes.

WFA President Marvin Koslow, senior VP Bristol-Myers, said the organization will be expanding in Asia and Latin America, where advertiser associations in several countries have expressed interest in joining the WFA.

"We must broaden our geographical horizons," Mr. Koslow said. "And we hope to get more women delegates, along with blacks and other minorities."

Mr. Koslow said the WFA plans to sponsor a seminar in London in the next year on the portrayal of women in advertising worldwide.#

Lottery fever sweeps Ireland

KILLARNEY, IRELAND—The new national lottery is sweeping the country, backed by a $4.5 million advertising campaign that convinced 74% of Ireland's 2.4 million adults to try the game in the first 17 days. The lottery will be the biggest Irish advertiser this year.

In the first eight weeks after the March 23 launch, the lottery took in $45 million from ticket sales, said John Fitzpatrick, national lottery director and a former president of the World Federation of Advertisers.

The TV, print and radio campaign by Ogilvy & Mather-owned Wilson Hartnell, Dublin's third-largest ad agency, uses the slogan, "Come play your big dream."

Two TV spots feature vignettes of happy participants enjoying their winnings. A farmer lounges in a hammock sipping champagne and watching someone else drive his tractor. Another winner ends a shopping spree by stepping into a Rolls-Royce ahead of a row of bellhops weighed down with her purchases.

Instant prizes won by finding three matching numbers after scratching the latex film off the play area of the lottery ticket range from $3 to $7,500. Each week five players with special winning tickets identified by stars on the play area are eligible to play the Grand Prize Game and spin the Grand Prize Wheel to win cash amounts ranging from $7,500 to $375,000.

"Our management targets were for sales of $75 million for the first year," he said. "Now it's clear we're going to beat the hell out of it."

Lottery proceeds will be allocated by the Irish government to projects in the areas of health, sports and recreation, culture and the arts, he said.#

—L.W.

World News Roundup

(Continued from Page3)

gional, municipal and European Parliament elections. Danis/B&B won the government's $1.6 million campaign explaining the voting system.

LONDON—Goodyear Tyre & Rubber Co. will sponsor a weather program beginning June 1 on pan-European satellite TV channel Super Channel while Uniroyal Tyres will sponsor a weather report which will start this summer on Rupert Murdoch's Sky Channel.

TORONTO—Harlequin North America awarded its $2.2 million U.S. and Canadian books account to DDB Needham Worldwide. J. Walter Thompson Co. previously handled.

TOKYO—British Caledonian Airways launched a campaign to promote its new U.K.-to-Japan service. Foote, Cone & Belding (Japan) handled.

OTTAWA—The Canadian government added $1.9 million to its $11.1 million ad budget to attract U.S. tourists. Camp Associates Advertising handles.

SAO PAULO—Philip Morris launched L&M cigarettes here to compete with market leader BAT's Hollywood Brands. Leo Burnett Publicidade handles.

Agency affiliations and acquisitions: N W Ayer bought a minority of **Lee Davis Advertising**, Hong Kong. **McCann-Erickson Worldwide** and **United Commmunications**, Taipei, created a joint venture, called United McCann-Erickson, Taipei. In Hong Kong, McCann entered an association with **Adcom**.

How much agencies bill abroad

Rank		Agency 1986 billings in $000,000	Non-U.S. billings	% of total billings
1.	(1)	TBWA	348.8	76.9
2.	(2)	HCM	545.4	75.4
3.	(3)	SSC&B:Lintas	1,187.5	72.1
4.	(4)	McCann-Erickson Worldwide	1,873.4	65.7
5.	(7)	DYR Worldwide	216.0	62.2
6.	(5)	Saatchi & Saatchi Compton Worldwide	1,942.7	58.5
7.	(-)	Ogilvy & Mather Worldwide	1,489.4	47.2
8.	(-)	Ogilvy & Mather Direct Response	214.0	47.1
9.	(8)	J. Walter Thompson Co.	1,409.4	44.9
10.	(-)	Young & Rubicam	1,802.9	43.0

Source: compiled by Advertising Age

Nutrition push in U.K., Germany

Mac's ad export

By SCOTT HUME

McDonald's nutrition-information print campaign, which has stirred controversy in the U.S., is being exported to Europe.

Print ads extolling the quality and outlining the nutritional makeup of the restaurant chain's foods are running in West Germany and the U.K.

According to a spokesman at the chain's Oak Brook, Ill., headquarters, the strategy overseas, as in the U.S., is to "communicate in a straightforward way about the good food we serve."

Both the West German and U.K. campaigns are independent efforts by operators in those two countries, the McDonald's spokesman said, rather than parts of a unified global strategy of stressing links between McDonald's menu items and nutrition. Whether similar campaigns are conducted in other countries will be decided by local operators' marketing officials.

Packaged salads have been introduced in West Germany, as they recently were in the U.S. (AA, May 18), and are spotlighted in some print executions. Another is a variation of the U.S. "We shop where you shop" ad in which McDonald's lists brand-name suppliers it uses for its foods.

The U.K. and West Germany are two of McDonald's largest overseas markets. The 231 U.K. restaurants and 245 West German outlets account for two-thirds of its 665 European outlets.

Heye & Partners, Munich, handles the $18 million McDonald's Systems of Germany account.

Details of the U.K. campaign were unavailable. Leo Burnett Co., London, handles the $12 million account.#

"Many vitamins and few calories at McDonald's," German ad says.

Boost for Swedish TV ads

By JACK BURTON

STOCKHOLM—Swedish Television is consolidating its foreign program-buying departments, an action which threatens to reduce the purchase of TV shows from abroad.

The controversy may wind up giving a boost to those who support allowing commercial advertising on Swedish TV (SVT).

To reduce costs, SVT plans to merge the program purchase units for the two state-run, non-commercial channels and cut personnel from 100 to 80. The long-range goal of STV is to have at least 60% Swedish-produced shows.

However, SVT is handicapped in its efforts by a lack of funding, and the need to produce more Swedish programming is providing one key argument for allowing advertising on at least one of its two channels.

SVT director Sam Nilsson, an ad supporter, estimates that SVT could receive $75 million to $90 million a year from ad revenues, boosting its budget by 50% from its current funding level of $180 million.

Sweden's Socialist government, however, still is opposed to the introduction of advertising despite growing support for TV commercials from the public and non-socialist opposition parties.

Goran Sellberg, one of the chief buyers for TV 2 and the man responsible for bringing such U.S. TV hits as "Dallas," "M*A*S*H" and "Dynasty" to Sweden, has resigned to protest the consolidation of the buying departments. He believes the merger will end the "stimulating competition" between TV 1 and TV 2.

The move is also being viewed as part of an attempt by SVT to counter the arrival of Pan-European satellite channels.

Although the satellite channels have established only a small beachhead in Sweden so far, they have proved enormously popular among those receiving them. This has caused fears among government officals about the erosion of Sweden's cultural identity.#

Newspaper Advertising SAU Inches in the MRCS

March 1987 vs. March 1986

AKRON, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Beacon Journal (E)	89,182	—	82,219	—
Beacon Journal (S)	86,010	—	81,125	—
Grand Total	175,192	—	163,344	—

NOTE: Part run figures not available.

ALLENTOWN, PA

Call (M)	153,802	—	152,662	—
Call (S)	97,702	—	89,071	—
Grand Total	251,504	—	241,733	—

NOTE: Part run figures not available.

ASBURY PARK, NJ

Press (E)	182,202	26,580	173,664	17,230
Press (S)	183,523	14,192	153,710	18,728
Grand Total	365,725	40,772	327,374	35,958

ATLANTA, GA

Constitution (M)	171,757	86,862	170,764	64,423
Journal (E)	167,605	92,344	167,225	65,203
Journal & Constitution (S)	148,408	68,167	145,580	76,320
Journal & Constitution (Sat)	45,895	—	47,981	—
Grand Total	533,665	247,373	531,550	205,946

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

Sun (M)	130,444	8,186	116,412	4,080
Sun (E)	112,057	8,182	90,266	4,080
Sun (S)	178,395	44,673	156,489	46,078
Grand Total	420,896	61,241	363,169	54,238

BERGEN COUNTY, NJ

Record (E)	149,483	17,404	142,413	18,279
Record (S)	179,903	44,574	146,565	45,852
Grand Total	329,386	61,978	288,978	64,131

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	88,520	—	56,582	—
Herald (S)	24,188	55,519	19,139	41,019
Globe (M)	135,750	13,367	134,463	10,559
Globe (S)	229,218	42,945	210,705	33,641
Grand Total	477,676	111,831	420,889	85,219

BUFFALO, NY

News (AD)	98,550	35,000	107,604	15,725
News (S)	81,271	28,229	82,666	14,408
Grand Total	179,821	63,229	190,270	30,133

CAMDEN, NJ

Courier-Post (E)	131,098	16,750	130,122	18,477
Courier-Post (S)	68,412	13,880	67,407	11,285
Grand Total	199,510	30,630	197,529	29,762

CHARLOTTE, NC

Observer (M)	120,652	—	119,684	—
Observer (S)	85,060	—	89,858	—
Grand Total	205,712	—	209,542	—

NOTE: Part run figures not available.

CHICAGO, IL

*Tribune (M)	126,227	269,303	119,618	253,732
*Tribune (S)	129,203	93,326	117,247	72,101
Sun-Times (M)	126,292	81,402	134,441	84,420
Sun-Times (S)	69,169	53,289	76,252	28,064
Grand Total	450,891	497,320	326,558	438,317

NOTE: Tribune figures supplied by publisher to Media Records. 1987 figures represent advertising for 3/2/87 to 3/29/87.

CINCINNATI, OH

Enquirer (M)	143,024	5,700	154,330	7,205
Enquirer (S)	157,092	12,381	150,780	12,893
Post (E)	73,079	19,264	71,486	20,153
Grand Total	373,195	37,345	376,596	40,251

CLEVELAND, OH

Plain Dealer (M)	128,042	33,453	135,084	32,026
Plain Dealer (S)	135,441	10,886	130,584	7,712
Grand Total	263,483	44,339	265,668	39,738

DALLAS, TX

News (M)	267,978	8,385	300,110	13,616
News (S)	184,052	13,885	265,669	18,968
Times-Herald (AD)	204,321	20,971	280,189	33,127
Times-Herald (S)	131,416	17,339	147,524	20,584
Grand Total	787,767	61,560	883,492	86,295

DENVER, CO

Rocky Mt. News (M)	256,096	1,590	260,925	4,706
Rocky Mt. News (S)	103,934	173	99,313	2,154
Post (M)	177,493	28,149	191,015	7,646
Post (S)	131,846	907	136,052	1,267
Grand Total	669,369	30,819	687,305	15,773

DETROIT, MI

Free Press (M)	96,737	48,884	102,066	28,037
Free Press (S)	54,633	41,756	56,144	28,732
News (AD)	136,158	47,378	139,067	45,627
News (S)	107,735	30,369	105,471	34,020
Grand Total	395,263	168,387	403,048	136,416

ESCONDIDO, CA

Times-Advocate (E)	94,589	5,816	—	—
Times-Advocate (S)	45,821	—	—	—
Grand Total	140,410	5,816	—	—

NOTE: 1986 figures not available.

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	143,432	—	129,224	—
Sun-Sentinel (M)	273,366	—	318,119	—
Grand Total	416,798	—	447,343	—

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	69,694	—	65,959	—
Journal Gazette (S)	76,281	—	80,398	—
News Sentinel (E)	80,242	—	72,631	—
Grand Total	226,217	—	218,988	—

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	79,595	3,903	74,494	979
Time (S)	82,730	265	71,219	—
Advocate (E)	98,447	17,385	97,656	7,674
Advocate (S)	80,472	5,507	69,335	156
Grand Total	341,244	27,060	312,704	8,809

HARTFORD, CT

Courant (M)	144,153	26,956	148,989	29,430
Courant (S)	100,056	172,807	90,721	138,537
Grand Total	244,209	199,763	239,710	167,967

HONOLULU, HI

Advertiser (M)	115,090	—	116,271	—
Star-Bulletin (E)	107,857	—	110,639	—
Star-Bulletin & Advertiser (S)	94,125	—	84,925	—
Grand Total	317,072	—	311,835	—

HOUSTON, TX

Chronicle (AD)	214,746	30,535	234,008	38,185
Chronicle (S)	135,248	25,816	141,710	28,591
Post (M)	135,197	32,721	167,503	28,593
Post (S)	86,492	28,883	91,621	26,960
Grand Total	571,683	117,955	634,842	124,329

LONG BEACH, CA

Press Telegram (M)	104,269	40,037	103,696	39,566
Press Telegram (S)	68,422	918	62,807	3,984
Grand Total	172,691	40,955	166,503	43,550

LONG ISLAND, NY

Newsday (E)	117,461	113,362	140,490	75,975
Newsday (S)	95,272	109,452	105,591	81,256
Grand Total	212,733	222,814	246,081	157,231

LOS ANGELES, CA

Times (M)	278,472	275,165	276,514	267,877
Times (S)	199,179	108,081	195,659	107,510
Herald-Examiner (M)	58,794	9,710	53,467	9,173
Herald-Examiner (S)	16,399	10,730	17,405	8,652
Grand Total	552,844	403,686	543,045	393,212

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	170,645	36,568	188,157	29,275
News (S)	96,091	640	93,968	4,439
Grand Total	266,736	37,208	282,125	33,714

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	207,954	—	212,626	—
Grand Total	207,954	—	212,626	—

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN

Commercial Appeal (M)	128,731	71,665	119,287	82,099
Commercial Appeal (S)	109,834	9,180	104,903	10,247
Grand Total	238,565	80,845	224,190	92,346

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	145,123	—	163,497	—
Herald (S)	112,662	—	108,328	—
News (E)	57,027	—	64,405	—
Grand Total	314,812	—	336,230	—

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	104,172	17,613	104,546	19,060
Star & Tribune (S)	153,995	9,118	153,688	3,394
Star & Tribune (Sat)	26,277	—	29,269	—
Grand Total	284,444	26,731	287,403	22,454

*NASHVILLE, TN

Banner (E)	97,488	—	106,746	—
Tennessean (M)	97,694	—	107,545	—
Tennessean (S)	111,985	—	100,387	—
Grand Total	307,167	—	314,678	—

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	82,953	2,012	82,157	2,900
Home News (S)	82,654	15,043	82,878	1,664
Grand Total	165,607	17,055	165,035	4,564

NEW YORK, NY

Times (M)	174,853	15,923	164,127	13,992
Times (S)	248,060	138,886	233,007	120,605
News (M)	58,776	84,710	56,148	86,727
News (S)	47,212	90,453	39,985	88,702
Post (AD)	60,293	1,363	52,281	1,557
Grand Total	589,194	331,335	545,548	311,583

NEWARK, NJ

Star Ledger (M)	200,206	5,330	191,753	6,210
Star Ledger (S)	230,529	34,717	201,439	23,810
Grand Total	430,735	40,047	393,192	30,020

OAKLAND, CA

Tribune (M)	79,015	76,759	76,985	84,367
Tribune (S)	42,172	41,831	43,487	37,444
Grand Total	121,187	118,590	120,472	121,811

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade-Tribune (E)	95,551	4,611	82,637	2,973
Blade-Tribune (S)	53,672	1,934	54,886	—
Grand Total	149,223	6,545	137,523	2,973

NOTE: Blade-Tribune Evening published five days a week only.

ORANGE COUNTY, CA

Register (AD)	281,748	93,612	288,528	74,845
Register (S)	149,364	—	136,208	10,633
Grand Total	431,110	93,612	424,736	85,478

PHILADELPHIA, PA

Inquirer (M)	151,242	17,778	152,993	35,903
Inquirer (S)	156,662	72,207	141,976	56,341
News (E)	75,692	1,106	77,323	9,468
Grand Total	383,596	91,091	372,292	101,772

*PHOENIX, AZ

Arizona Republic (M)	276,257	14,260	293,983	13,172
Arizona Republic (S)	176,901	—	190,664	—
Gazette (E)	264,027	14,389	283,101	13,241
Grand Total	717,185	28,649	767,748	26,413

NOTE: Figures supplied by publisher to Media Records.

*PROVIDENCE, RI

Journal (M)	109,973	87,708	102,914	83,278
Journal (S)	134,175	57,887	123,133	47,597
Grand Total	244,148	145,595	226,047	130,875

NOTE: MRCS/SAU inches were supplied by publisher to Media Records. 1987 figures represent advertising for 2/23/87 to 3/29/87.

*ST. LOUIS, MO

Post Dispatch (M)	98,531	31,622	104,518	39,913
Post Dispatch (S)	143,184	632	138,410	598
Grand Total	241,715	32,254	242,928	40,511

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	82,307	—	84,416	—
Pioneer Press Dispatch (S)	131,100	—	114,383	—
Grand Total	213,407	—	198,799	—

NOTE: Part run figures not available.

SAN ANTONIO, TX

Express-News (AD)	114,580	34,818	126,230	30,739
Express-News (S)	96,298	27,055	107,192	28,475
Express-News (Sat)	34,562	—	47,418	—
Light (AD)	126,077	18,936	118,731	32,943
Light (S)	100,054	3,923	100,672	16,866
Light (Sat)	27,071	1,138	40,292	—
Grand Total	498,642	85,870	540,135	109,023

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

Union (M)	192,289	34,493	211,583	21,943
Union (S)	139,720	—	139,322	—
Tribune (E)	200,699	34,206	214,108	22,558
Grand Total	532,708	68,699	565,013	44,501

SAN FRANCISCO, CA

Chronicle (M)	123,585	64,832	125,605	71,921
Examiner (E)	123,006	63,931	—	—
Examiner & Chronicle (S)	92,215	38,096	89,160	39,878
Grand Total	338,806	166,659	214,765	111,799

NOTE: 1986 Examiner Evening figures not available.

SAN JOSE, CA

Mercury News (AD)	284,281	15,537	281,180	24,739
Mercury News (S)	158,296	—	167,724	—
Grand Total	442,577	15,537	448,904	24,739

*STATE COLLEGE, PA

Centre Times (E)	71,146	9,757	80,706	542
Centre Times (S)	44,345	371	42,338	607
Grand Total	115,491	10,128	123,044	1,149

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	102,439	—	95,183	—
Blade (S)	86,394	—	109,793	—
Grand Total	188,833	—	204,976	—

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	266,327	43,340	265,139	42,687
Post (S)	175,579	44,141	168,745	36,717
Grand Total	441,906	87,486	433,884	79,604

WASHINGTON, DC SUBURBAN GROUP

Montgomery Journal (M)	59,183	43	61,271	766
Fairfax Journal (M)	67,611	1,440	72,720	2,326
Grand Total	126,794	1,483	133,991	3,092

NOTE: Montgomery Journal Morning and Fairfax Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	85,167	14,027	77,664	13,196
Reporter Dispatch (S)	84,261	31,842	90,929	18,441
Grand Total	169,428	45,869	168,593	31,637

WICHITA, KS

Eagle-Beacon (M)	98,010	—	109,379	—
Eagle-Beacon (S)	84,056	—	76,741	—
Grand Total	182,066	—	186,120	—

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.
   Width and Depth in Inches.
2. Determine Square Inches of Page.
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

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6/10/87 C2710-1

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June 8, 1987

NEWSPAPER

SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014
CONGRESSIONAL INFO SERVICE
02019094 9 AA00 8723 COMP L52
200

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

AAF, GF rally against tax

Execs see hopeful signs

By STEVEN W. COLFORD

ORLANDO, FLA.—As an estimated 1,000 American Advertising Federation conventioneers rally today against Florida's 5% ad tax, some industry leaders believe the state may retreat from its plan to tax national advertising.

That optimistic view by two advertising and media industry leaders is not shared by Florida Gov. Bob Martinez, state legislators or bureaucrats. The regulators say they still plan to start collecting the tax on July 1 but admit they are having a hard time drafting rules on how to apportion and collect the sales tax.

"If they see prospects for change, I don't know what they're looking at," said a Martinez spokesman.

AAF leaders believe their anti-tax rally, ads and other high-profile events will keep public attention riveted on the tax and the politicians who are ignoring public sentiment by raising state taxes.

DeWitt Helm Jr., president of the Association of National Advertisers, and William Gorog, Magazine Publishers Association

(Continued on Page 84)

Company may get tough

By JUDANN DAGNOLI

General Foods Corp. went on the attack last week with its tough stance against Florida's 5% tax on advertising, making senior executives available to the news media in hopes of spreading its views.

In addition to planned ad cancellations in the state, a GF spokeswoman hinted the food company might consider curtailing production at its six Florida plants if the tax is not repealed. The plants employ 1,300 people.

GF's plans for curtailing its advertising in Florida (AA, June 1) involve canceling 90% of its local advertising and consumer promotions. In addition, the Rye Brook, N.Y.-based company is considering having its network TV spots blacked out in Florida markets, a step also being examined by Kraft Inc.

The cancellations will begin July 1, when the ad tax takes effect, and will involve not only spot TV but print and radio as well. GF said it spent $3 million on spot TV in Florida last year, but estimates of the total amount of ad dollars involved in the cancellations were not available.

Other companies that have announced

(Continued on Page 84)

Sanguine penguins

Coca-Cola USA is giving the penguins that played backup to the Pointer Sisters their own commercials. The Atlanta-based soft-drink company will feature the web-footed flightless birds in Diet Coke commercials running June 15 through Labor Day. The birds got their own commercials after Coca-Cola's toll-free hot line heated up with phone calls from the penguins' fans. SSC&B, New York, created the spots with outtakes of the Pointer Sisters commercials.

Hakuhodo, SSC&B link

By JULIE SKUR HILL and DAVID KILBURN

Plans for a new Japanese-American agency with offices in Tokyo and New York solidified last week, nearly a year after a similar joint venture hit rough waters.

SSC&B:Lintas Worldwide, part of the Interpublic Group of Cos., and Hakuhodo Inc., Japan's second-largest agency, exchanged letters of intent to create the Tokyo office of the joint venture (AA, Dec. 8, 1986).

The office, to be called Hakuhodo SSC&B:Lintas Co. Ltd., will open July 1.

Plans for a New York office, to be called SSC&B:-Lintas Hakuhodo Co., are expected to be finalized next month.

Last year, a conflict with the parent companies of DYR Worldwide, a joint venture between Dentsu and Young & Rubicam, the world's two largest ad agencies (AA, May 11), led to losing major client Canon USA

(Continued on Page 86)

Last Minute News

JWT stock keeps hopping

NEW YORK—JWT Group's stock price, after rising on heavy trading through June 3 to a high of $38.75, declined to $37 by June 5 on trading of 316,700 shares June 4 and 5. As of June 5, there was no filing with the Securities & Exchange Commission that might explain the trading. Various rumors on potential buyers focused on WPP Group, whose chairman, Martin Sorrell, had "no comment" *(see news analysis on Page 2)*; Lorimar Telepictures Corp., the entertainment/agency company, which denied it was involved; the U.K.-based Hanson Trust, which said corporate policy is not to comment; and entertainment conglomerate MCA Inc., where no one was available for comment.

Heublein backs Lancers blush

FARMINGTON, CONN.—Heublein today breaks a multimillion-dollar network TV campaign to promote new Lancers Blush Wine. Young & Rubicam handles. The spots, directed by former

(Continued on Page 8)

Will test discount plan

Newspapers cut national ad rate

By WILLIAM F. GLOEDE

In what's being called a significant breakthrough, a sizable segment of the newspaper business is about to start slaughtering a sacred cow: the premium paid by national advertisers for newspaper space.

During the next two weeks, 258 daily newspapers—representing 52% of all U.S. circulation—will begin offering national package-goods advertisers an average 30% discount for orders of ¼-page or larger, run 13 times.

The lower rate is part of an overall, industrywide effort among newspapers to reverse a long decline in their national ad volume.

While the special package-goods test rate—to remain in effect for the next 18 months—is an average 25% higher than comparable retail rates, it is an average 30% lower than current frequency discount rates for national advertising.

At press time, the aggregate circulation of the newspapers indicating they would participate was 32.3 million.

Each ¼-page insertion in all 258 papers, costing around $237,000, would generate more than 50 gross

(Continued on Page 86)

K mart has big plans for scanners—P. 36

U.K. political ad duel heats up—P. 60

Addy Awards, Effies and One more—P. 68

Highlights

Omnicom to produce cost-cutting plan 12
Omnicom Group executives are exploring whether they can cut TV production costs and media-buying expenses by using Omnicom's clout as an agency group. If successful, the group could provide the kind of megamerger benefit clients have wanted.

Burnett's Subchapter S filing questioned 33
Leo Burnett Co. officials said they have adopted Subchapter S tax-filing status in the past year to reduce the company's tax burden. But the $2 billion agency holding company has more than 200 shareholders, said Vice Chairman Jack Kraft, and the Internal Revenue Service says Subchapter S filers must have fewer than 35 owners. That has observers wondering how the company changed status without meeting the IRS' limit.

200 shopping days till Christmas 36
K mart Corp. wants to make shopping hassles a memory of Christmas past with a $1 billion automation program it hopes will eliminate long lines and other frustrations. The focus on service turns K mart 180 degrees from its initial marketing philosophy.

Daihatsu drives into fierce fight 43
Daihatsu Motor Co. is entering the U.S. market during what could become the most competitive selling season in recent years. The market is saturated with new-car models, and volatile currency exchange rates are increasing the prices of once-inexpensive imports. Industry analysts are predicting that this year Japan's once-indomitable automakers may not sell the Ministry of International Trade & Industry's 2.3 million allocation.

Gauging adwomen's success worldwide 62
While American women have been making gains in the fight for equality in the agency business, women overseas have met with varying degrees of success. Worldwide, there are very few women at the top in the agency business; usually it's only the women who have founded agencies who have titles of chairman or president. While opportunities for women in agencies vary in different disciplines from country to country, women do well in account management positions in very few countries.

INTERNATIONAL

European elections keep voters busy 60
In the U.K. elections, the Labour Party is taking a page from the campaign handbook Saatchi & Saatchi wrote for Margaret Thatcher and the Conservative Party in the last two elections. For its $6.5 million election campaign, the party also has tapped the team behind the Oscar-winning movie "Chariots of Fire" to create its election commercial. In Italy, all six main political parties are using ad agencies in the June 14 election campaign for the first time in the country's history.

First comparative ads break in Japan 61
Comparative advertising has reached Japan via a $1 million campaign for All Nippon Airways, handled by Dentsu Inc. The campaign promotes the airline's trans-Pacific service to the U.S., comparing the spaciousness of ANA's "2-2-2" seating with the "2-4-2" of its competitors.

FEATURES

A view from the aisle 54
As anyone who works in a supermarket knows, the nation's food basket is filled with contradictions and surprises. Observation at a New Jersey A&P Futurestore revealed some insight into marketing—and the expert there is the 20-year-old manager of the store's health & beauty aids merchandise.

OTHER NEWS

The U.S. attorney investigating N W Ayer's handling of the U.S. Army account has dropped plans to indict Ayer Public Relations VP Thomas Donoghue. Page 12.

Borden's acquisition of Prince Co. last week noodled Hershey Foods Corp. further away from the No. 1 position in pasta, and gave Borden an entry into the spaghetti sauce market. Page 24.

Tired of its toy-company image, Worlds of Wonder is diversifying into school supplies and teen-age electronics with a pricey line of school supplies. Page 32.

Young & Rubicam has improved substantially in its standing among U.S. agencies, according to Agency Watch, a national survey of corporation advertising executives. Y&R moved into second place—tying Ogilvy & Mather—in how often it was named the agency providing the best products and services. J. Walter Thompson Co. ranked No. 1. Page 39.

Thirty Connecticut ad agencies are fed up with the reinterpretation of a 7.5% state sales tax and are pooling money to fight back. In 1984, the state decided some creative services fell under the sales tax. But most of the agencies have not been paying the tax because they say the state has not made clear what can be taxed. Now the state is saying it's time to pay up. Page 63.

Johnson & Johnson wants to be the first to introduce a prescription anti-wrinkle cream, and it wants to do it by using an acne cream. Page 63.

SPECIAL REPORT

***Out-of-home**—As marketers continue to tighten budgets and targets, this medium of few words, bold color, low cost and strong local tradition is expected to show a dramatic increase in revenues in 1988. Starts after Page 46.*

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NEWSPAPER AD SPENDING, MARCH 1987 28

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Hostile buyout of JWT seen as possibility

NEWS ANALYSIS

By STEWART ALTER

Long-held conventional wisdom that unfriendly takeovers don't work with ad agencies is being turned on its head by JWT Group, which may be facing just that kind of takeover threat.

More than 1.4 million JWT Group shares, or almost 15% of the total 9.6 million outstanding shares, were traded between Thursday, May 28, and Wednesday, June 3, boosting the share price almost 20% from $32.50 to $38.75.

As speculation grows about whether a single buyer is accumulating JWT stock, doubt also is growing about whether JWT's management would be able to defend itself in spite of its great resolve to do so.

Although no one knows yet who the bidder might be, speculation continues to focus on Saatchi & Saatchi's former financial chief, Martin Sorrell, who now heads the WPP Group (AA, June 1).

Mr. Sorrell said he had "no comment" about the rumors when he was reached at a Wertheim Schroder & Co. seminar for investors he was presenting in New York June 5.

WPP chiefly focuses on acquiring marketing services companies, though he has purchased a specialized real estate ad agency.

In response to a question, Mr. Sorrell would not rule out that more ad agencies could become part of his company's holdings as well.

Even though no buyer had declared ownership of at least 5% of the shares, as is required by the Securities & Exchange Commission, JWT Group Chairman-CEO Don Johnston last week issued an internal memo stating, "We have not been approached by anyone regarding a sale, acquisition or merger. . . . We are monitoring what is going on carefully. . . . We believe it is in the best interest of our people, our clients and our shareholders to remain independent."

In the past, Mr. Johnston has said hostile takeover bids would be met with an "equally hostile" response.

But many observers, from both the agency and financial communities, are starting to feel JWT's reported plan to buy back its own stock as a defensive move against a takeover is no longer possible.

The stock price may be getting too high for JWT to try going private as a defense, unless it were willing to sell off some units—such as its Hill & Knowlton PR unit—to raise the cash, sources say.

In other words, no banker would be willing to lend JWT more than $370 million plus perhaps 11% interest to buy back shares at the current price, given the agency group's history of low margins and uneven financial performance.

These sources also note JWT's chances decrease tremendously if it is challenged by a determined bidder with deep pockets. If that buyer were someone with knowledge of the agency business and a good reputation, and if the participation of some former JWT executives were enlisted, the buyer might come across as a credible stabilizing influence to shareholders, employees and clients of the giant agency, these sources say.

"It's a cinch to buy Thompson,"

(Continued on Page 86)

Account worth $14 million

FCB wins HMO

IRVINE, CALIF.—Travelers Health Network named Foote, Cone & Belding, San Francisco, and its direct-marketing unit, Smith Hemmings Gosden, El Monte, to handle its $12 million-to-$14 million account after a monthlong review.

THN is the new name for Whittaker Health Services, acquired last year by Travelers Corp.

Also in the review were: Ketchum Advertising, San Francisco; Keye/Donna/Pearlstein and Ogilvy & Mather, Los Angeles; and Scali, McCabe, Sloves, New York, interim agency on the account.

Scali retains the Yellow Pages billings. Kaiser McEuen, Los Angeles, handles collateral.

The 100,000-member health maintenance organization will begin a branding campaign, identifying it with Travelers, in the fourth quarter.

FCB said the THN account does not conflict with the $15 million American Medical International account handled by its Los Angeles office. AMI approved the agency's participation in the review, said Steve Hayman, general manager of FCB's Los Angeles office.

Vipont Pharmaceutical, Fort Collins, Colo., marketer of Viadent toothpaste and mouthwash, hired McCann-Erickson for its estimated $5 million account, after a review in which incumbent agency McCaffery & Ratner, New York, didn't take part. DDB Needham Worldwide, Ramey Communications, both Los Angeles, and McCann and Pallas Advertising, both San Francisco, were finalists.

Vipont, which has aimed its advertising at healthcare professionals, is considering its first intensive consumer effort.

Its professional marketing program will continue in conjunction with McCann's healthcare unit, Sieber & McIntyre.

West Coast News

BEST OF PRESS

FLASH REPORT: Newspaper advertising investment for March

March 1987 CATEGORIES	YEAR	IN 100 THOUSANDS IN MILLIONS	DOLLARS 1987	DOLLARS 1986	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	1987		$33,773,611	$31,810,887	+1,962,724	+6.2
	1986					
Computer stores & supplies	1987		5,917,896	5,224,963	+692,933	+13.3
	1986					
Department stores	1987		87,423,075	90,992,397	-3,569,322	-3.9
	1986					
Food stores	1987		34,524,226	31,352,673	+3,171,553	+10.1
	1986					
Radio, tv, phonographs, records	1987		19,678,626	18,512,688	+1,165,938	+6.3
	1986					
General merchandise stores	1987		51,101,410	45,771,150	+5,330,260	+11.6
	1986					
Alcoholic beverages	1987		1,327,530	1,784,006	-456,476	-25.6
	1986					
Cameras, photo supplies & services	1987		437,721	282,393	+155,328	+55.0
	1986					
Computers, equipment & services	1987		2,929,072	2,884,168	+44,904	+1.6
	1986					
Public service utilities & communications	1987		7,645,257	4,475,148	+3,170,109	+70.8
	1986					
Publishing & media	1987		11,472,538	10,567,494	+905,044	+8.6
	1986					
Cigarettes	1987		2,429,522	4,924,338	-2,494,816	-50.7
	1986					
Airlines	1987		16,101,949	19,645,541	-3,543,592	-18.0
	1986					
Passenger cars-new	1987		27,736,558	17,596,348	+10,140,210	+57.6
	1986					
Banks & trust companies	1987		12,954,861	9,882,275	+3,072,586	+31.1
	1986					
Stock, bond & investment houses	1987		2,901,698	2,933,585	-31,887	-1.1
	1986					

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Ad spending up 6.6% to $318M

New York—Ad spending in 16 categories showed an overall increase of 6.6%, hitting $318.1 million, during March in major-market daily newspapers, according to the Advertising Age Flash Report prepared by Media Records Inc. here.

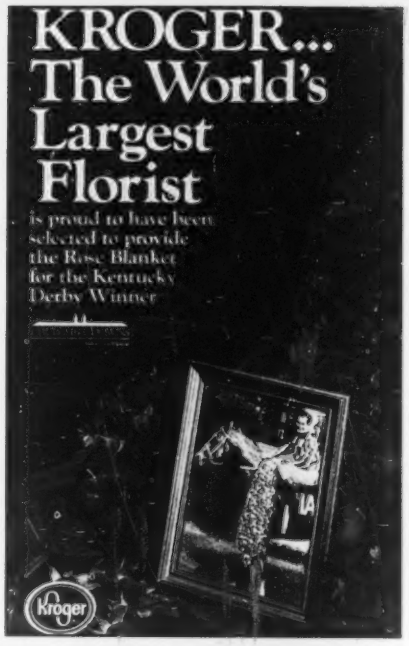
Automotive (new passenger cars) led the categories posting increases; it shot up by 57.6% vs. the same period in 1986, to $27.7 million. Spending by general merchandise stores also posted a strong dollar gain, rising 11.6% to $51.1 million.

Other gainers included food stores, up 10.1% to $34.5 million; amusements, up 6.2% to $33.8 million; radio-TV-phonograph-record dealers, up 6.3% to $19.7 million; banks and trust companies, up 31.1% to $12.9 million; publishing and media, up 8.6% to $11.5 million; public service utilities and communications, up 70.8% to $7.6 million; computer stores and supplies, up 13.3% to $5.9 million; computers, equipment and services, up 1.6% to $2.9 million; and cameras, photo supplies and services, up 55% to $437,721.

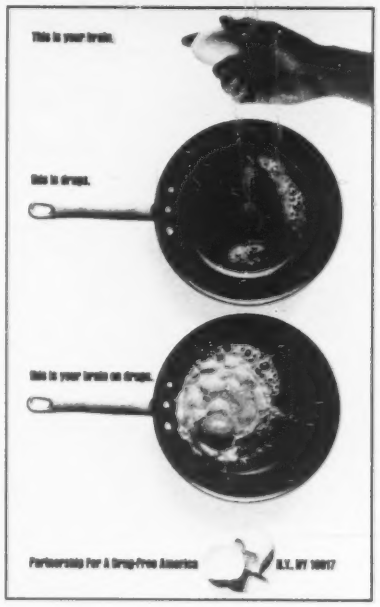
Department stores, the largest users of newspaper ad space, cut spending 3.9% to $87.4 million, with the drop partly due to the fact that Easter was in March last year.

Other losing categories included airlines, down 18% to $16.1 million; stock, bond and investment houses, down 1.1% to $2.9 million; cigarettes, down 50.7% to $2.4 million; and alcoholic beverages, down 25.6% to $1.3 million. The Flash Report is based on iinage measurements in 27 daily and 23 Sunday newspapers in 15 major markets.#

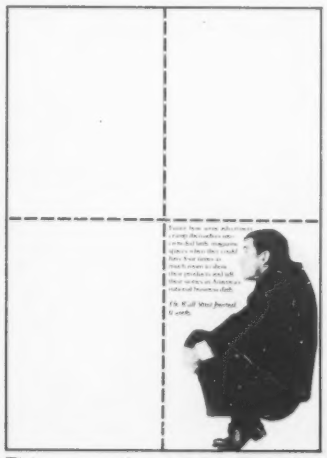
Best of Press selections are made by a committee of three: Hank Simons, VP-creative director at the Newspaper Advertising Bureau; James Dunaway, VP-information, Newspaper Advertising Bureau; and William F. Gloede, Advertising Age's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the NAB for much of this work. Advertising agencies, clients and newspapers are invited to submit newspaper ads for review. Submissions should be sent to Mr. Gloede in AA's New York bureau.


KROGER...
The World's Largest Florist
is proud to have been selected to provide the Rose Blanket for the Kentucky Derby Winner
Kroger

Kroger Food Stores' advertising department found three ways to make this ad particularly creative. First, it tied in the ad with a news/sports event; next, it chose a great combination of words, colors and graphics; and, finally, it used a sepia-tone photo to give the process color even more impact and the ad a sense of timelessness. Creative director and copywriter: Rich McGraw; art director: Ron Baker; photographer: Bray Ficken.

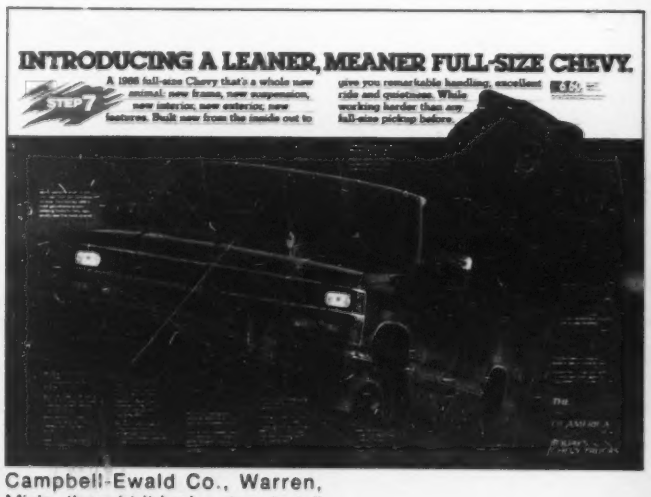


This public service advertisement by Keye/Donna/Pearlstein, Los Angeles, for Media-Advertising Partnership for a Drug Free America, New York, used a good mix of copy and graphics to make its point. We also thought the ad translated well into the companion TV commercial. Creative director: Paul Keye; copywriter: Larre Johnson; art directors: Rick Bell, Scot Fletcher; photographer: Michael Rupert.



This promotion ad for *The Wall Street Journal* from the Johnston & Johnston Group, New York and Los Angeles, is a textbook example of how to use space to illustrate a product's value. Copywriter and designer: Jim Johnston; art director: Petter Thoen; photographer: Gil Smith.

INTRODUCING A LEANER, MEANER FULL-SIZE CHEVY.
The 1988 Chevy Pickup. A whole new truck built new from the inside out.
STEP 1
Begin with a massive new frame. One of the biggest, heaviest ever put under a full-size Chevy Pickup.
THE
OF AMERICA
TODAY'S CHEVY TRUCKS



Campbell-Ewald Co., Warren, Mich., thought it had a story to tell about the new full-size Chevrolet pickup truck. So the agency told it like a news story, day by day over the course of a week in a series of seven ads that built the truck from the frame up. It made news of the advertising. Creative directors: Don Gould, Bill Ludwig; copywriter: Keith Stentz; art directors: Kick Chasey, David Johns, Carlos Vazquez; photographers: Tom Bent, Guy Morrison.

Y&R gets corporate kudos

Shop ranks 2nd to JWT in survey

By JOSEPH M. WINSKI

Perhaps reaffirming the value of independence in an era of megamergers, Young & Rubicam has improved substantially in its standing among U.S. agencies, according to Agency Watch, ADVERTISING AGE's national survey of corporation advertising executives.

New York-based Y&R, which has picked up significant business from disaffected clients of merged agencies, moved into second place—tying Ogilvy & Mather—in how often it was named the agency providing the best products and services.

Y&R and Ogilvy each were named best agency by 8% of the respondents, behind J. Walter Thompson Co., named by 10% of the 300 people surveyed.

In all previous Agency Watch surveys, JWT and Ogilvy held the No. 1 and No. 2 positions by comfortable margins.

Y&R's 8% first-quarter score compares with its average 1986 score of 4.1%.

The agency also moved into third place from No. 4 in top-of-mind awareness. It was named the agency that first comes to mind by 13.6% of those surveyed, a statistically significant increase from its score of 8.9% for the fourth quarter and 8.7% for 1986.

Y&R also improved in six agency attributes specifically surveyed by Agency Watch.

Here are the percentage of respondents naming Y&R best for those attributes in the first quarter, vs. its 1986 average. Its first-quarter rank in that attribute is shown in parentheses:

- Creativity—3.7% (No. 4), up from 1.4%.
- Account execs—5.2% (No. 3), up from 2.2%.
- Top management—6.5% (No. 3), up from 2.2%.
- Media—6% (No. 2), up from 2.5%.
- Marketing—4.3% (No. 3), up from 1.9%.
- Research—4.9% (No. 2), up from 2.6%.

No other agency has made such sweeping gains in any quarter since the Agency Watch survey of agency reputations began in fourth-quarter 1984.

Y&R's improvement in Agency Watch's quarterly surveys began in last year's fourth quarter when, in the space of six days, it got important assignments from major advertisers Kraft Inc., Hertz Corp. and Pillsbury Co.

In that quarter, 6.7% of respondents named Y&R the best agency, up from 4% the previous quarter.

But other agencies have shown one-quarter spurts, only to revert to previous levels.

Bozell, Jacobs, Kenyon & Eckhardt, for example, was named best agency by 6% of those questioned in the third quarter last year but fell back to its typical score of 2.3% in the fourth quarter and to just 0.7% in the latest quarter.

Y&R, however, managed to continue its gains from last year's fourth quarter.

That may be due in part to its winning of the highly visible competition for the U.S. Army account in January.

But the agency also may be benefiting from growing appreciation of its string of account gains, which the agency and its clients alike have attributed in part to Y&R's resolve to remain independent and less prone to account conflicts.

Thanks, no doubt, to its much-publicized management upheaval that began early this year, JWT's first-quarter awareness soared.

Asked to name the agency that first came to mind, 27.9% of the respondents named JWT, up from an average of 19.2% in 1986. JWT has led in awareness in every Agency Watch quarter. Its latest score is its second-highest yet.

Somewhat surprisingly, perhaps, JWT was named best agency by 10% of the respondents, up from its 7.5% average for 1986 and 6.7% for the fourth quarter last year.

It ranked No. 1 in best-agency polling for the quarter, the sixth time it has done so in the nine quarters of Agency Watch surveys.

The persons surveyed last quarter apparently felt—at that point, at least—that JWT's top-management troubles hadn't impaired the quality of the work delivered by the people who work most directly with clients.

The survey was conducted early in the agency's continuing wave of executive departures and before key client Burger King Corp. announced that it would stage a competition for the account, which JWT has held since 1974.

In another significant finding of the latest survey, Hal Riney & Partners was named the country's hottest agency, being named that by 7% of those surveyed.

The San Francisco-based agency, probably best known for its Bartles & Jaymes wine cooler commercials for E&J Gallo Winery, began showing up in the hottest-agency polling in the second half of last year, when it was mentioned by 3% of respondents in both the third and fourth quarters.

In the latest quarter, Riney edged out Minneapolis-based Fallon McElligott, last year's hottest agency, by just one mention.

Agency Watch is conducted for AA by SRI Research Center Inc., Lincoln, Neb.

SRI each quarter polls a random sample of 300 ad directors and other ad executives of companies with more than $25 million in annual sales. The companies are not necessarily the country's largest advertisers; they are selected at random from the 20 largest markets, with the largest markets having the most respondents.

In questioning for best agency, awareness and hottest agency, each respondent is allowed as many as three answers, with each counted as one mention. Respondents can give two replies in naming which agency is best at specific attributes.

The maximum margin of error for each quarterly sample is 5.7 percentage points.#

For more information, contact Jim Clifton, SRI Research Center Inc., 301 S. 68th St., Lincoln, Neb. 68510. Phone: (402) 489-9000.

Best agency

Question: Which ad agency, regardless of size, provides the best overall services and products to its clients?

1985		1986		1st Quarter 1987	
1. Ogilvy & Mather	7.7%	1. J. Walter Thompson	7.5%	1. J. Walter Thompson	10.0%
2. J. Walter Thompson	7.4%	2. Ogilvy & Mather	6.7%	2. Ogilvy & Mather	8.0%
3. Young & Rubicam	4.6%	3. Young & Rubicam	4.1%	3. Young & Rubicam	8.0%
4. BBDO	3.8%	4. Leo Burnett	3.9%	4. Leo Burnett	5.3%
5. Leo Burnett	2.9%	5. BBDO	3.8%	5. BBDO	4.3%

Source: SRI Research Center, Lincoln, Neb.

First agency that comes to mind

Question: When I mention advertising agencies, which single advertising agency first comes to mind?

1985		1986		1st Quarter 1987	
1. J. Walter Thompson	25.4%	1. J. Walter Thompson	19.2%	1. J. Walter Thompson	27.9%
2. Ogilvy & Mather	12.7%	2. Ogilvy & Mather	13.0%	2. BBDO	15.0%
3. BBDO	12.7%	3. BBDO	12.6%	3. Young & Rubicam	13.6%
4. Young & Rubicam	10.6%	4. Young & Rubicam	8.7%	4. Ogilvy & Mather	12.3%
5. Doyle Dane Bernbach	7.3%	5. Bozell & Jacobs	8.2%	5. Leo Burnett	8.3%

Source: SRI Research Center, Lincoln, Neb.

Hottest agency

Question: Considering all ad agencies, including your own, which one ad agency is the hottest up-and-coming agency in the industry?

1985		1986		1st Quarter 1987	
1. Chiat/Day	7.2%	1. Fallon	6.2%	1. Hal Riney	7.0%
2. Fallon	5.6%	2. Saatchi	3.4%	2. Fallon	6.6%
3. Ogilvy & Mather	2.8%	3. Chiat/Day	3.2%	3. Chiat/Day	4.3%

Source: SRI Research Center, Lincoln, Neb.

AGENCY SPOTLIGHT

Gotta getta Gund, the familiar tagline for Gund plush animals, got Scott Lancaster Mills Atha the reputation for being a "toy agency" after winning the account in 1980.

'Toy shop' hunts for new game

By CLEVELAND HORTON

LOS ANGELES—There's just not a lot of fame to be gained by creating TV commercials that air on Saturday mornings.

"People have an image of toy commercials that they're sort of cookie cutter [spots] with no creativity, no concept—just a bunch of mealymouthed kids going: 'I'm going to beat you!' 'No you're not!'" said Clifford Scott, VP-account supervisor at Scott Lancaster Mills Atha here.

But, he insisted, "From a creative standpoint [toy] spots are as good as many of the national, highly touted creative spots that get all the attention."

If Mr. Scott sounds defensive, he is. The agency his father, Stephen, founded with three partners and the Tyco Industries account 11 years ago retains its reputation as a "toy shop," despite some creative and successful ad campaigns in other fields.

"The toy industry is probably the most advertising-responsive industry there is," said the younger Mr. Scott. "The average marketing life cycle of a toy is two to three years, so toys don't really have time to depend on word-of-mouth or customer satisfaction. What really makes or breaks a toy is advertising."

SLMA is trying to raise its profile beyond toys, but, ironically, a round of account moves is at the same time opening up new business opportunities within the field (AA, March 30).

The shop picked up an additional $12 million-plus in billings from existing-client Coleco Industries, when the West Hartford, Conn.-based toy company became disenchanted with one of its agencies, Richard & Edward's, New York.

As part of its diversification effort, the agency developed a self-promotional campaign that it mailed to marketers in five diverse categories: fashion, beverages, package goods, health & beauty aids and retail.

Those "ads" feature catchy headlines, such as "We've got a drinking problem," followed by an explanation: "The problem is, we've done a lot of great work. . . . Yet when it comes to beer, wine and soft-drink accounts, our cup isn't exactly running over."

Toy accounts have represented the bulk of the agency's billings throughout its decade of work. And the billings have grown considerably. By the agency's reckoning, it billed $32 million last year, up 45% from 1985, putting it among the top five independent agencies

(Continued on Page 66)